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ANNUAL REPORT
OF
THE NASH MOTORS COMPANY
(MARYLAND CORPORATION)

FISCAL YEAR ENDED NOVEMBER 30, 1934.

TO THE STOCKHOLDERS:

Herein you will find the Balance Sheet and Profit and Loss statement of your company for the fiscal year ended November 30, 1934.

Net results from operations for the year from all sources, after deducting all expenses, reserves, depreciation, State and Federal taxes, show a loss of $1,625,078.14. This loss is determined after charging $868,765.54 in respect to depreciation of the physical properties.

In arriving at the figures presented in this annual report, it should be noted that the Nash Motors Stock held in the treasury, United States Government securities and inventories of every nature were taken at the lower of cost or market. There was paid out by the Company in dividends during the year $1,984,650.00 in cash. The year's operations were closed with a balance amounting to $27,257,235.92 in cash and United States Government securities.

It is essential to understand that the loss incurred in the fiscal year ended November 30, 1934 was anticipated as the cost of a definitely planned expansion program begun in the latter part of 1933. The purpose of this program was not only to achieve an improved sales position through aggressive merchandising efforts but by reaching this objective to place our dealers, because of the larger volume of business done by them, in a much stronger financial position. It is therefore exceedingly gratifying to be able to report definite evidence indicating the successful achievement of this purpose. Our sales of cars in 1934 were two and a half times greater than during the preceding year.

As a direct result of last year's increased sales our distributing organization is in considerably better financial condition than it was in the previous year and thereby better equipped to engage in aggressive competition in 1935. Still another measure of the success of our expansion program is the addition of more than 500 new dealers to our distributing organization during the past year.

The Nash Motors Company enters 1935 in an excellent position. From factors now evident it is my belief that 1935 will witness a marked improvement in general business, and from present trends the automobile industry is certain to obtain its proportion of this increase in general business. Because of our aggressive efforts to put ourselves in a favorable position to participate in the industry's proportion of the general gain, I believe The Nash Motors Company will share heavily in this increase. I base this assumption upon the facts just stated regarding our improved position in the industry and upon the unprecedented enthusiasm with which our dealer organization and the public have greeted our 1935 Nash and LaFayette cars. These combined factors would seem to indicate that unless there is a reversal of current trends we may anticipate a return to a more normal business operation during the year 1935.

Our 1935 Series Nash and LaFayette cars have been in production since early December. We are confident they are going to make new history for our Company. Illustrations of the new models are attached to this statement. We hope each stockholder will not only actually see the cars but ride in them and cooperate with us by telling his friends about the wonderful product that we have to offer.

By order of the Board of Directors,

CHARLES W. NASH
Chairman.

January 4,1935.

MRB
CORP. FILE

BALANCE SHEET

AS AT NOVEMBER 30, 1934

ASSETS:

CURRENT ASSETS:		
Cash		$ 1,972,362.88
U. S. Government Securities—at cost or market, whichever the lower		25,284,873.04
Total Cash and U. S. Government Securities		$27,257,235.92
Accounts Receivable, less Reserve		385,562.00
Accrued Interest Receivable		374,972.49
Inventories of Raw Materials, Work in Process and Finished Product—at cost or market, whichever the lower		2,137,741.12
(Of the foregoing $1,949,949.88 is covered by a physical inventory as taken by the Management, while the balance is based on Factory records.)		
TOTAL CURRENT ASSETS		$30,155 511.53
Prepaid Insurance and Royalties		40,570.24
INVESTMENTS:		
Treasury Stock—83,800 shares—at market which was less than cost at November 30, 1934	$ 1,518,875.00	
Capital Stock of Seaman Body Corporation (an Associated Company) and investments in and Advances to sundry small Subsidiaries, wholly or partly owned—at cost	1,233,931.44	
(In the aggregate the equities applicable to these investments are materially in excess of the sum of $1,233,931.44, stated above.)		
Other Investments—at cost, less Reserve	348,580.41	3,101,386.85
REAL ESTATE, PLANT AND EQUIPMENT:		
(Including closed plant at Milwaukee)—at cost	$11,542,287.59	
Less Reserve for Depreciation	7,166,480.33	4,375,807.26
GOOD WILL:		1.00
TOTAL		$37,673,276.88

LIABILITIES:

CURRENT LIABILITIES:		
Accounts Payable, including Equipment Obligations, and Accrued Expenses		$ 909,604.92
Distributors and Dealers Credit Balances		388,261.24
Federal Excise and Local Taxes		109,318.70
TOTAL CURRENT LIABILITIES		$ 1,407,184.86
RESERVES:		
Reserve for Contingencies	$ 1,493,229.45	
Sundry Reserves	419,769.99	1,912,999.44
CAPITAL STOCK:		
Common Stock, without Par Value— Authorized and Issued—2,730.000 shares		13,887,000.00
SURPLUS:		
Initial Surplus	839,908.99	
Earned Surplus	19,626,183.59	20,466,092.58
Contingent Liabilities—None Reported		
TOTAL		$37,673,276.88

INCOME AND SURPLUS ACCOUNT

FOR THE YEAR ENDED NOVEMBER 30, 1934

Surplus, November 30, 1933			$23,793,472.72
Sales of Automobiles, Parts and Other Merchandise, less returns		$19,670,776.82	
Cost of Automobiles, Parts and Other Merchandise Sold, after charging Operating Expenses (Other than Depreciation), Maintenance of Physical Properties and Selling and Administrative Expenses	$21,454,108.34		
Depreciation of Property, Plant and Equipment	823,424.98	22,277,533.32	
Net Loss from Operations		2,606,756.50	
Other Income, less charges, including Depreciation of Non-Operating Property $45.340.56		981,678.36	
Net Loss for Year		*$ 1,625,078.14	
Deduct Direct Credits to Surplus, Net:			
Adjustment of book value of U. S. Government Securities on basis of cost or market value, whichever the lower	215,327.00		
Less Adjustment of book value of Treasury Stock to market which is lower than cost at November 30, 1934	59,201.00		
	156,126.00		
Dividends received from Associated Companies, paid out of earnings of prior years	126,222.00	282,348.00	
Reduction in Surplus during year, before Dividends			1,342,730.14
			22,450,742.58
Cash Dividends on Common Stock		2,047,500.00	
Less Dividends on Treasury Stock		62,850.00	1.984,650.00
Surplus, November 30, 1934			$20,466,092.58

*In accordance with the Company's practice, does not include the proportion of the operating results of Seaman Body Corporation (an associated company) and of sundry small Subsidiaries, wholly or partly owned. Reports furnished by officials of these Companies show an aggregate net loss for the year (11 months in the case of Companies on a calendar year basis) of which $369,753.88 is applicable to the Capital Stock holdings of the Nash Motors Company. In the aggregate the value of the equities in these companies, after providing for the loss above referred to, is materially in the excess of $1,233,931.44 the sum at which such investments are carried on the accompanying Balance Sheet.

MILWAUKEE, WISCONSIN, January 3rd, 1935.

THE NASH MOTORS COMPANY
Kenosha, Wisconsin

We have made an examination of the Balance Sheet of The Nash Motors Company as at November 30, 1934, and of the statement of Income and Surplus for the year ended on that date. In connection therewith, we examined or tested accounting records of the Company and other supporting evidence and obtained information and explanations from officers and employees of the Company; we also made a general review of the accounting methods and of the operating and income accounts for the year.

In our opinion, based upon such examination, the accompanying Balance Sheet and related statement of Income and Surplus fairly present, in accordance with accepted principles of accounting consistently maintained by the Company during the year under review, its position at November 30, 1934, and the results of its operations for the year.

PEAT, MARWICK, MITCHELL & Co.

OFFICERS

CHARLES W. NASH
Chairman of the Board

EARL H. MCCARTY
President

C. HASCALL BLISS
ROBERT F. HERRICK
HAROLD E. LONG
N. ERIK WAHLBERG
ROBERT B. ELLIOTT
Vice-Presidents

GEORGE H. EDDY
Treasurer

HORACE J. MELLUM
Secretary

DIRECTORS

CHARLES W. NASH, *Chairman*

ROBERT F. HERRICK
C. HASCALL BLISS
GEORGE C. LEE
JAMES T. WILSON
EMORY W. CLARK
SEWELL L. AVERY
FRED W. SARGENT
HAROLD H. SEAMAN
EARL H. MCCARTY
CHARLES B. WARREN

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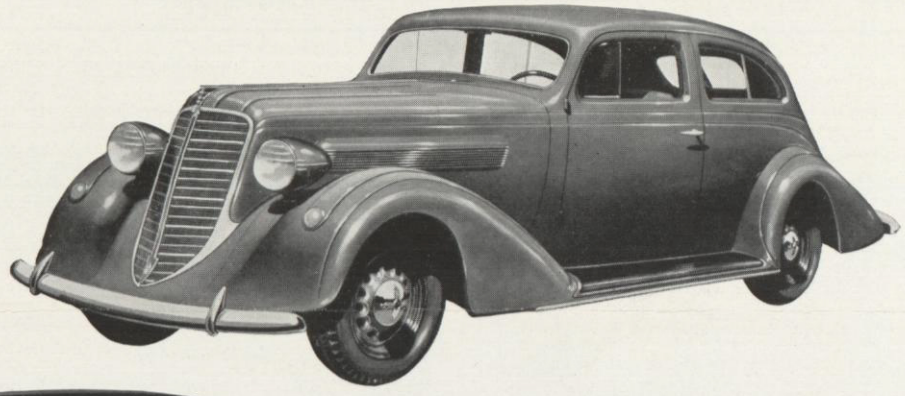
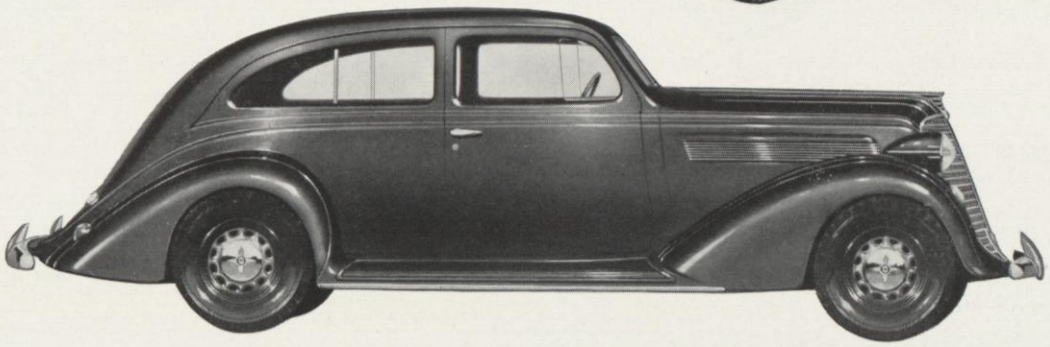
The New **NASH LINE** *for 1935*

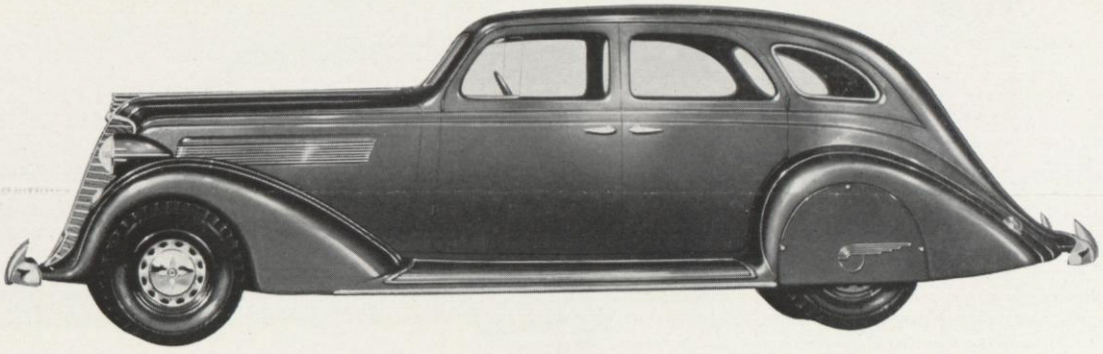
The
SIX PASSENGER
VICTORIA

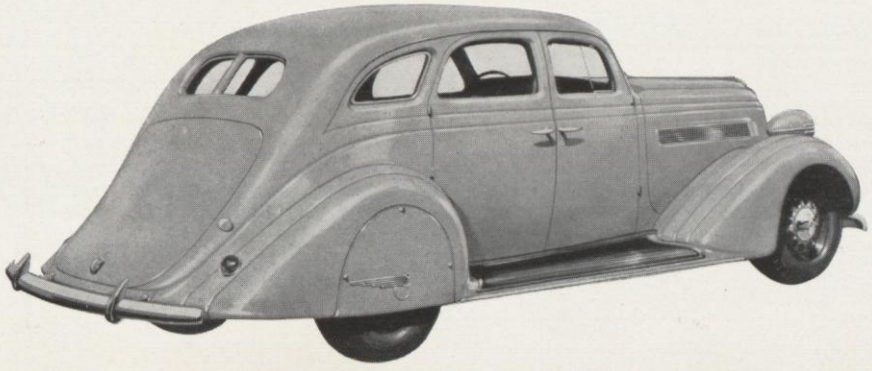




All 1935 Nash cars, including the Victoria, have space in back for tire, tools and luggage.

The
SIX PASSENGER
SEDAN





These New
NASH MODELS
comprise three series

ADVANCED SIX SERIES
120" Wheelbase

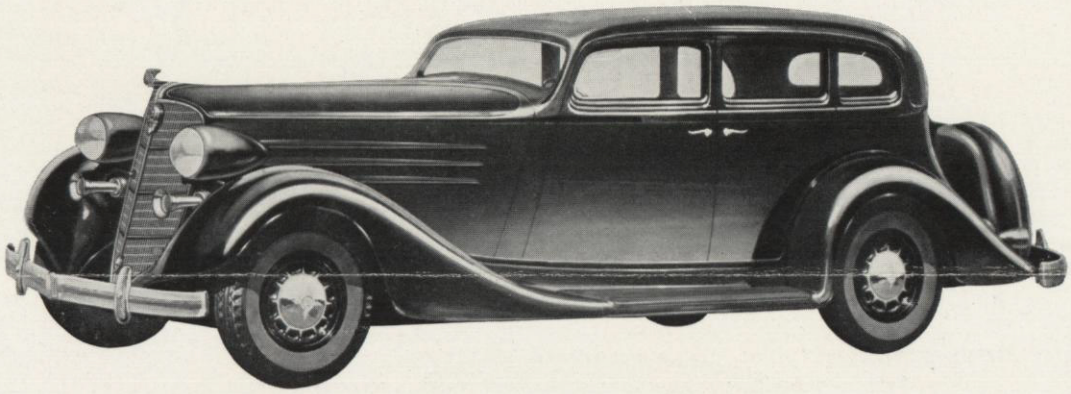
ADVANCED EIGHT SERIES
125" Wheelbase

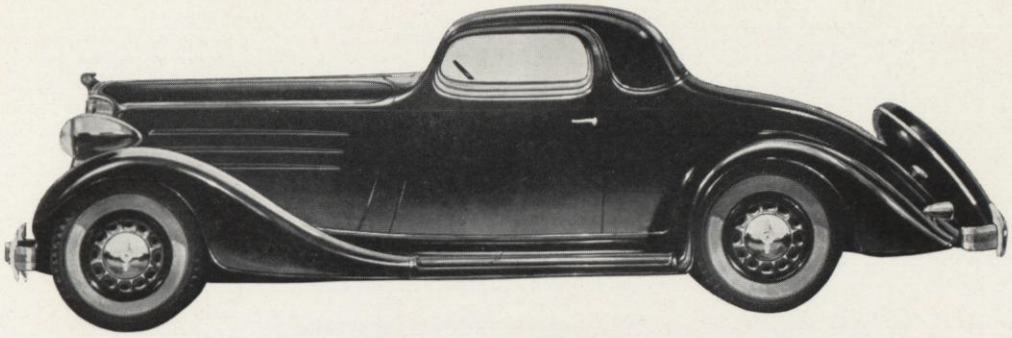
AMBASSADOR EIGHT SERIES
125" Wheelbase

PRICES
$895.00 *to* $1290.00
F. O. B Factory

The New **LAFAYETTE LINE** *for 1935*

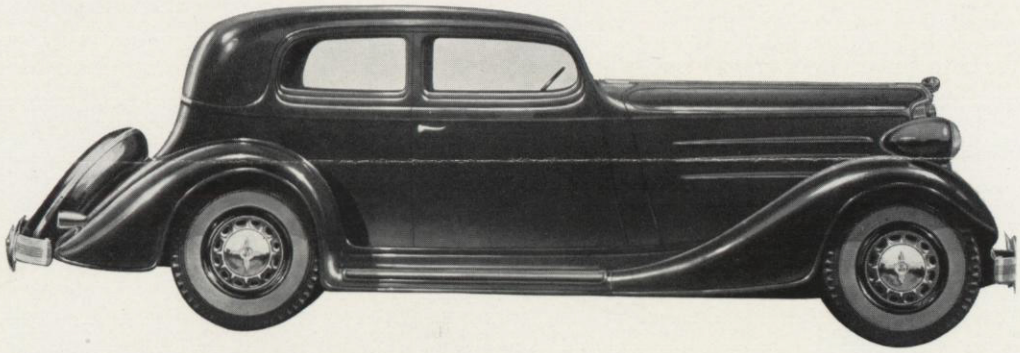
The
SPECIAL SEDAN
BROUGHAM
with built in trunk.



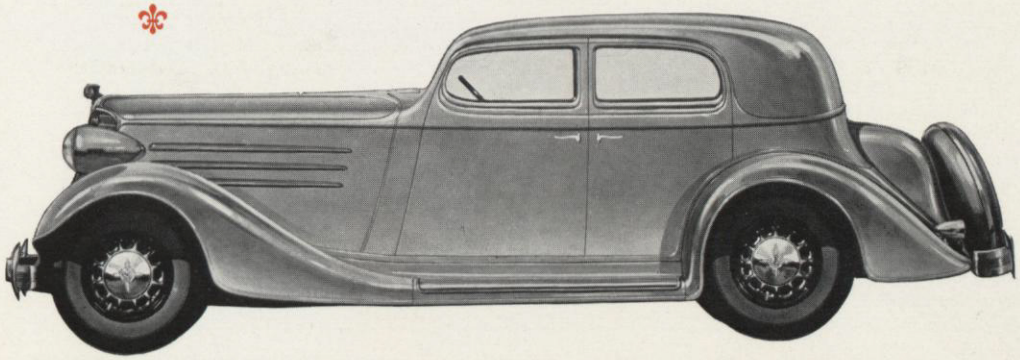


The
COUPE
(two or four passenger)

The
STANDARD TOURING
SEDAN



The
STANDARD BROUGHAM
with built in trunk.



The New
LAFAYETTE LINE
is in two series.

The
STANDARD SERIES
$585.00 *to* $700.00

The
SPECIAL SERIES
$700.00 *to* $750.00
F. O. B. Racine